

Message Text

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C O N F I D E N T I A L STATE 147535

EXCON

E.O. 11652: XGDS-1

TAGS: ESTC, COCOM, BE, RO, EEWT, ETRO

SUBJECT: BELGIAN N/C JIG BORING AND MILLING MACHINE
TO ROMANIA - IL 1091

REF: A) COCOM DOC (75)797

B) OECD PARIS 15807

1) DELS RESPONSE CONCERNING THE US INTERPRETATION OF
PARAGRAPH (1)(D) IS THE CORRECT ONE AS FAR AS THIS
GOVERNMENT IS CONCERNED. PARAGRAPH (1)(D) COULD NOT
HAVE HAD THE INTENT OF CONVEYING A RIGHT INHERENT IN
THE SOVEREIGNTY OF MEMBER COUNTRIES WHICH IS UNAFFECTED
BY THEIR VOLUNTARY COOPERATION IN COCOM. US AUTHORITIES
CONSIDER THAT THE PARAGRAPH IS APPROPRIATE AND THAT IT
REQUIRES NO CHANGE.

2) HOWEVER, BY AN UNFORTUNATE CONVERGENCE OF CIRCUMSTANCES,
US AUTHORITIES FOUND THEMSELVES UNABLE, IN THE PERIOD DURING
WHICH THE PROPOSED EXPORT WAS BEFORE THE COMMITTEE, TO
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MAKE THE SPECIFIC JUDGEMENT THAT THE "RISK OF DAMAGE TO

THE ECONOMIC, POLITICAL OR SOCIAL SITUATION OF THE EXPORTING COUNTRY" OUTWEIGHED THE SECURITY CONSIDERATIONS INVOLVED.

3) INITIALLY THERE WAS UNINTENDED BUT NEVERTHELESS SIGNIFICANT DELAY IN THE DISTRIBUTION OF DOCUMENTS TO THE APPROPRIATE TECHNICAL PERSONNEL INCLUDING SOME OUTSIDE OF WASHINGTON. TRANSLATION OF MATERIALS FROM THE FRENCH AND ABSENCES FOR OFFICIAL TRAVEL BY PERSONNEL INVOLVED, ALL PLAYED A PART IN PREVENTING EVALUATION OF THE PROPOSAL, INCLUDING THE FACTOR CONTAINED IN PARAGRAPH (1)(D), BY US AUTHORITIES. THEY WERE AND ARE AWARE OF NO PARALLEL APPLICATIONS BY US FIRMS, AND INDEED THE BELGIAN FIRM'S HAVING CONTRACTED AND INITIATED PRODUCTION OF THE EQUIPMENT INDICATES CERTITUDE THAT THE CUSTOMER'S ORDER WAS FINAL.

4) AT THE TIME OF THE JUNE 10 MEETING WHEN THE BELGIAN AUTHORITIES HAD MADE KNOWN THEIR VIEWS OF THE DIRE CONSEQUENCES WHICH MIGHT ENSUE FROM FAILURE OF THE EXPORT, A TECHNICAL AND STRATEGIC EVALUATION OF THE FACTS WAS NOT AVAILABLE TO US AUTHORITIES. THE FIRST SUCH EVALUATION OF THE MACHINE WAS AVAILABLE ON JUNE 18 WHEN THE BELGIAN DEL WITHDREW THE PROPOSAL. IT INDICATES THAT THE POSITIONING ACCURACY OF THE MACHINE TOOL APPEARS TO BE BEYOND THE REQUIREMENTS OF DIESEL ELECTRIC TURBINE AND LOCOMOTIVE MANUFACTURE AND THAT THE CONTROLLER MAY HAVE FOUR AXIS CNC CAPABILITY. IT RECOMMENDS THAT QUESTIONS BE RAISED CONCERNING DETAILS ON THE PARTS TO BE MANUFACTURED, COMPARISON WITH THE PARAMETERS OF IL 1091 AND OTHER EVIDENCE WHICH WOULD JUSTIFY THE PRECISION AND THE MULTIAXIAL CAPABILITY OF THE MACHINE.

5) IN SUMMARY, US AUTHORITIES REGRET (A) THAT THE PROPOSAL WAS PRESENTED WITH INADEQUATE DETAIL, (B) THAT INADVERTENT DELAYS OCCURRED, (C) THAT THE EXTENT OF PRODUCTION ALREADY UNDERTAKEN ON THE MACHINE AND THE FULL CONCERN OF THE BELGIAN AUTHORITIES FOR THE ECONOMIC AND SOCIAL IMPACT OF DENIAL OF THE CASE
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HAD NOT BEEN PRESENTED INITIALLY, (D) THAT THEY COULD NOT HAVE MORE PROMPTLY RESPONDED WITH THEIR STRATEGIC ANALYSIS OF THE MACHINERY AND (E) THAT THE BELGIAN AUTHORITIES DID NOT AVOID PRECIPITATE ACTION STRIKING AT UNANIMITY.

6) WE NOTE THAT BELGIANS HAVE MENTIONED EXPORT OF AS MANY AS 10 MACHINES. HOWEVER IN THE ABSENCE OF

TECHNICAL JUDGEMENT OF REF CASE, US AUTHORITIES ARE
UNABLE TO APPROVE IT, AND WOULD SIMILARLY RESERVE
ON ANY ADDITIONAL EXPORT PROPOSALS FOR THESE TOOLS UNTIL
JUDGEMENT MIGHT BE POSSIBLE. INGERSOLL

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